

Council Leadership Award, and the U.S. Marine Corps Distinguished Athlete Award. Mr. Allen was also awarded scholarships from Boardwalk Pipeline Partners, LP, the United States Achievement Academy, Workforce Investment Area Transition, and University of Southern Mississippi Leadership Scholarships.

Shawanda participated in the Student Council, Beta Club, SADD Club, Mu Alpha Theta Club, Theater Club—Tigers Actin' Up, and played on the soccer, softball, and track/field teams. She is a faithful member of Clear Creek Missionary Baptist Church where she is a part of the Feeding Ministry and Nursing Home Ministry.

In 2012, Shawanda graduated from Crystal Springs High School with honors. In the fall, she plans to attend the University of Southern Mississippi where she will pursue a degree in Accounting. Mr. Speaker, I ask our colleagues to join me in recognizing Ms. Shawanda LaShell Allen for her hard work, dedication and a strong desire to achieve.

INTRODUCTION OF THE PROTECTION FROM ROGUE OIL TRADERS ENGAGING IN COMPUTERIZED TRADING, OR PROTECT, ACT

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 2013

Mr. MARKEY. Mr. Speaker, today, I am introducing the Protection from Rogue Oil Traders Engaging in Computerized Trading, or PROTECT, Act. I am introducing this bill because we need some common-sense rules and regulations on this growing element of trading. High speed traders are pursuing increasingly creative and potentially risky strategies, and if we've learned anything from the last decade, it's that Wall Street shouldn't be left to experiment without some regulatory supervision.

High speed trading, better known as high frequency trading, is trading driven by computer algorithms that place buy and sell orders automatically. Once set in place, these algorithms run until they are taken offline, and they can be programmed to trigger trades by just about any event: by a commodity's price ticking up several trades in a row, by small differences in the price of a commodity between different exchanges, even by the appearance of certain key words in social media. These algorithms operate at terrifically fast speeds—they can trigger trades in milliseconds or even microseconds. As Futures Magazine reported back in 2011, "the main activity of HFT is speed. While some such algorithms exist, the majority of high-frequency traders are making a bet like everyone else and attempting to gain an edge through speed."

High frequency trading is becoming the dominant form of trading in our commodity futures markets. Prior to 2006, the New York Mercantile Exchange did not even allow electronic trading to occur while the markets were open. Yet, high frequency trading has exploded over the last seven years. According to one estimate by Sandler O'Neill and Partners L.P., high frequency trading was responsible

for 47 percent of trade volume in futures markets in 2008 and now generates 61 percent of futures market volume. That's a torrid increase in only a few years, and it occurred despite commodity prices crashing during the 2008 financial crisis.

High frequency trading is changing the composition of our markets, and it's imperative that regulators have the ability to keep up with that change. Twenty-three years ago, I authored and helped enact the Market Reform Act of 1990, which gave the Securities and Exchange Committee the power to regulate practices that caused excessive volatility in our equities markets. As I informed former SEC Chairman Elisse B. Walter in January via letter, I believe the Market Reform Act empowers the SEC to take steps to regulate high frequency trading in equities. In response to my letter, the SEC confirmed that the Market Reform Act provides a "valuable source of authority" regarding excessive volatility and that the Commission is contemplating using it and other authorities to regulate high frequency trading in the equities markets.

Unfortunately, the rising role of high frequency trading in futures has not been fully appreciated until recently, and the Commodity Futures Trading Commission does not currently have explicit authorization to regulate high frequency trading in futures. As a result, the only protection we have at present is Wall Street's willingness to self-regulate. And as we all viscerally experienced during the last six years of a financial crisis and devastating recession prompted by risky Wall Street investments, when Wall Street's experiments blow up, Main Street catches on fire.

The PROTECT Act will ensure that CFTC has the power to step in when necessary to protect Main Street companies and consumers from trading explosions caused by high frequency trading. This bill requires all futures traders making use of high frequency trading to register with the CFTC. It mandates that futures traders using high frequency trading technology establish reasonable safeguards on their systems. It prohibits simultaneous purchase and sell orders for the same commodity contract in significant quantities using high frequency trade technology. These so-called "wash trades" can be used to manipulate markets and generate an artificial appearance high levels of trading activity are occurring. It empowers the CFTC to establish rules and regulations on high frequency trading to address fraud, manipulation, or disruptive practices or that are otherwise "in the public interest." And it raises penalties for market manipulation from \$140,000 for companies to \$10,000,000 or triple the total amount of proximate losses. Given that our futures markets involve trillions of dollars in trades, it's critical that the scale of the penalties match the size of the market.

High frequency traders are racing to develop ever more sophisticated technology because a technological advantage in this field can be worth millions of dollars. Yet, the commodity markets do not exist just for a few firms dabbling in high frequency trading—they are important tools for hedging and price discovery, and we should not allow the market's proverbial tail to wag the dog. Moreover, the actions of a few Wall Street HFT firms do not just affect Wall Street. High frequency traders

can exact a hidden tax on other market participants by inserting themselves between buyers and sellers, and portions of that tax are then passed along to consumers. And when our markets crash, retirement accounts can be depleted, businesses can go bankrupt, and people can lose their jobs.

As the CFTC says on its website, "The CFTC's mission is to protect market users and the public from fraud, manipulation, abusive practices and systemic risk related to derivatives that are subject to the Commodity Exchange Act, and to foster open, competitive, and financially sound markets." It is critical that the CFTC have the power to regulate high frequency trading so that rogue traders do not get in over their heads and damage the rest of the economy. The PROTECT Act will ensure that some common-sense rules can be set over high frequency trading in our futures markets, and I urge all of my colleagues to co-sponsor this critical legislation.

IN TRIBUTE TO CAPTAIN JOHN JONES

HON. JOE COURTNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 2013

Mr. COURTNEY. Mr. Speaker, I rise today to honor Fire Police Captain John Jones for his 50 years of dedicated service to the Colchester Hayward Volunteer Fire Company.

As a charter member of the Fire Company since 1963, Captain Jones has demonstrated an extraordinary commitment to keeping his community safe and secure. This commitment has led to tremendous growth of John's role and leadership within the company. Captain Jones was the organization's first Emergency Medical Technician during his early days, and moved up the ranks to become Fire Police Captain, a role in which he has served for 30 years.

In addition to countless hours spent training his fellow volunteers so that future generations will maintain the legacy of the Colchester Hayward Volunteer Fire Company, Captain Jones has been recognized as an elite member of his community's volunteer protection service. Awards include several merit awards, Firefighter of the Year in 1986, Fire Police Officer of the Year in 2004, and the Stephen Smith Memorial Award in 2012. In recognition of his service, the Town of Colchester has designated June 15, 2013, as Captain John Jones Appreciation Day.

With roots dating back to 1854, the Colchester Hayward Volunteer Fire Company has provided fire, rescue, and emergency medical services to residents of the Colchester area of eastern Connecticut.

I ask my colleagues to join me in recognizing Captain John Jones for his selfless service to his community and to hold him up as an example of our core community values for all Americans. We thank him for his decades of hard work and dedication to the Colchester community.